



## **Carl Moyer Program Advisory: 05-005**

### **Heavy-Duty Fleet Modernization Projects**

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Since 1998, the Carl Moyer Memorial Air Quality Standards Attainment Program (“Carl Moyer Program”) has provided grants to encourage the owners of heavy-duty engines to go beyond regulatory requirements by retrofitting, repowering, or replacing their engines with newer and cleaner ones. New legislation (AB 1394, Levine and Montanez) directs the Air Resources Board (ARB or “Board”) to revise the existing Carl Moyer Program grant criteria and guidelines to incorporate heavy-duty fleet modernization projects at the first opportunity after January 1, 2005.

Carl Moyer Program grants are awarded based on funding protocols developed by the Air Resources Board staff, in consultation with local air districts and interested stakeholders, and adopted by the Board in a public meeting. Before districts can fund fleet modernization projects, ARB staff must develop draft protocols and present them to the Board for approval. The development of the fleet modernization protocol will, to the extent feasible, include fleet owners, independent truck owners, heavy-duty vehicle dealers, and the districts. Carl Moyer Program grants provided pursuant to AB 1394 will offset the incremental cost of projects that reduce emissions of nitrogen oxides (NO<sub>x</sub>) and/or particulate matter (PM). In developing the fleet modernization program, the legislation directs ARB to consider all existing fleet modernization programs implemented by the districts.

Because fleet modernization is not currently part of the Carl Moyer Program, this advisory addresses general questions regarding the enabling legislation, program eligibility, and implementation timeframe.

#### **What is heavy-duty fleet modernization?**

AB 1394 generally defines fleet modernization as an emission reduction strategy that relies on incentives to offset the cost of replacing an old high-polluting heavy-duty truck or engine with a newer one certified to a more stringent emissions standard.

#### **Are there any existing heavy-duty fleet modernization programs in California?**

Currently, there are two heavy-duty fleet modernization *pilot* programs operating in California. The Sacramento Air Quality Management District (SMAQMD) administers one program in the Sacramento region and the Gateway Cities Coalition of Governments administers one in the region surrounding the Port of Long Beach. The two programs are very similar since the Gateway Cities program was modeled after the SMAQMD effort.

Both pilot programs were implemented in 2002 with the expectation that the data would be gathered on the replacement vehicle for five years. To date, the SMAQMD program has spent approximately \$9.5 million dollars to replace 275 trucks while the Gateway Cities program has spent approximately \$6.2 million on 245 trucks. The SMAQMD program is funded with money

from the Sacramento Emergency Clean Air Transportation (SECAT) program. The Gateway Cities program includes funding from the ARB, the U. S. Environmental Protection Agency, the Mobile Source Air Pollution Reduction Review Committee, and the Port of Los Angeles.

At the time of implementation, both pilot programs had a similar set of minimum qualifications. These qualifications include:

- 1) A minimum age for the replaced vehicle (e.g., model year 1983 or older) and a maximum age for the replacement vehicle (e.g., model year 1990 or newer).
- 2) A minimum ownership period of two years prior to entering the program.
- 3) The vehicle to be replaced must be in operating condition and able to pass a standard safety inspection.
- 4) Historic usage of the truck must be primarily (e.g., 85%) within the funding agency's jurisdiction.
- 5) The vehicle to be replaced must be insured and registered in California.

Additional requirements include:

- 1) Replacement vehicle must be reflashed to the lowest NOx emissions standard, when applicable (1993-1999 model-year vehicles).
- 2) Replacement vehicle must be fitted with an ARB verified particulate matter reduction device, if available.
- 3) Replacement vehicle must be fitted with a digital odometer.
- 4) Applicant must commit to stay in the same vocation for five years.
- 5) On average over the five contract years, the replacement vehicle can not be driven 30% more or 15% less than the historic baseline mileage.
- 6) Replaced vehicle and engine must be destroyed and proof of destruction submitted to the program administrator.

Since implementation, several significant changes have been made to both pilot programs in an effort to increase participation. The ARB is keeping apprised of these changes and, in accordance with AB 1394, will develop fleet modernization guidelines with full consideration of both programs.

### **When will fleet modernization be incorporated into the Carl Moyer program?**

The ARB is currently reviewing the existing fleet modernization pilot programs and will make adjustments to ensure compliance with the Carl Moyer Program and enabling legislation. In addition, modifications are being considered to make certain that all emission reductions meet the ARB criteria of being real, surplus, quantifiable and enforceable.